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August 12, 2003

Mary Ann Wright
Division of Oil, Gas and Mining
State of Utah
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

VIA FAX (801) 359-3940

Dear Mary Ann:

As a follow-up to our telephone conversation last week, Basin Perlite Company is requesting a sixty-day extension to the deadline of September 16, 2003 to have in the place the surety for the Basin Perlite Company Pearl Queen Perlite Mine, M/001/027, Beaver County, Utah. We intend to discuss with you the counter proposal presented in your letter of August 5, 2003 in the intervening period. We are confident that Basin and the Division can finalize a resolution of the surety issue prior to the end of extended deadline period we have requested.

Very truly yours,

William R. Wilson, President Basin Perlite Company

CC: Tim Hall, Basin Perlite Company

Jay Gatten

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